

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MASSACHUSETTS

BIS ADVANCED SOFTWARE  
SYSTEMS, LTD.,

Plaintiff,

v.

RED BEND SOFTWARE, INC.,  
RED BEND SOFTWARE, LTD.,  
TIME WARNER INC., ICQ, INC.,  
INSTALLSHIELD SOFTWARE CORP.,  
and SCANSOFT, INC.

Defendants.

Civil Action No. 04-11960-RWZ

**JURY TRIAL DEMANDED**

**PLAINTIFF'S REPLY TO THE RED BEND DEFENDANTS' COUNTERCLAIMS**

Plaintiff BIS Advanced Software Systems, Ltd., replies to the corresponding numbered paragraphs of the counterclaims of Defendants Red Bend Software, Inc., Red Bend, Ltd., Time Warner Inc., and ICQ, Inc. (collectively, the "Red Bend Defendants"), as follows:

1. Plaintiff admits that the Counterclaim arises under the patent laws of the United States, 35 U.S.C. §§ 101, *et. seq.*
2. Plaintiff admits that this Court has subject matter jurisdiction over this Counterclaim under 28 U.S.C. §§ 1338, 2201, and 2202.
3. Plaintiff admits that venue is proper in this Court pursuant to 28 U.S.C. § 1400(a).
4. Plaintiff admits that Counterclaimant Red Bend Software, Inc. is organized and existing under the laws of the State of California, with its principal place of business at 175 Crossing Blvd., Suite 320, Framingham, Massachusetts 01702.

5. Plaintiff admits that Counterclaimant Red Bend, Ltd. is an Israeli company, with its principal place of business at 11 Amal Street, Afek Industrial Park, Rosh Ha'ayin, 48092 Israel.

6. Plaintiff admits that Counterclaimant Time Warner Inc. is a Delaware company, with its principal place of business at One Time Warner Center, New York, New York.

7. Plaintiff admits that Counterclaimant ICQ, Inc. is a Delaware company, with its principal place of business at 22000 AOL Way, Dulles, Virginia.

8. Plaintiff is without sufficient information to admit or deny the allegations of paragraph 8.

9. Plaintiff admits that Counterclaimant Defendant BIS Advanced Software Systems, Ltd. ("BIS") is the owner of the U.S. Patent No. 6,401,239 ("the '239 patent").

10. Plaintiff admits that BIS has alleged that the Red Bend Defendants have infringed the '239 patent.

11. Plaintiff admits that an actual controversy, within the meaning of 28 U.S.C. §§ 2201 and 2202, exists between BIS, on the one hand, and the Red Bend Defendants, on the other hand, on the non-infringement of the '239 patent.

12. Plaintiff denies the allegations of paragraph 12.

13. Plaintiff denies the allegations of paragraph 13.

14. Plaintiff denies the allegations of paragraph 14.

15. Plaintiff denies the allegations of paragraph 15.

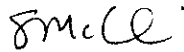
16. Plaintiff restates its responses to paragraphs 1-15.

17. Plaintiff admits that an actual controversy, within the meaning of 28 U.S.C. §§ 2201 and 2202, exists between BIS, on the one hand, and the Red Bend Defendants on the other hand, on the invalidity of the '239 patent.

18. Plaintiff denies the allegations of paragraph 18.

BIS ADVANCED SOFTWARE SYSTEMS, LTD.

By its attorneys,



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Dated: January 11, 2005

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